University of Alberta

A Comparison of Trudeau's and Chretien's China Policy

by

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Abstract

This thesis is a comparison of Trudeau's and Chretien's China policies. During the research, the internal and external factors that influenced the policies toward China by both governments are examined. The American influence is especially important when exploring Canada's China policy. In addition, this paper will look briefly at Canada's overall policy toward the Asia-Pacific region and place Canada's China policy in that context. In chapter one, I use two theoretical approaches for the study of the domestic determinants of Canadian foreign policy: one is modified statist theory; the other is dominant class theory. In chapter two, I look into why Canada's recognition of the Communist China was delayed until Trudeau took office in 1968. I also introduce the Trudeau government's China policy in terms of Trudeau's perception of China and external environment. The same approach is used in chapter three in which Chretien's China policy is addressed. I emphasize more the arguments between the pro-human-right group and the pro-business group. Finally, in chapter four, I conclude that there are some similarities between these two governments. I argue that the two governments are pragmatic and realistic, and their China policy is a reflection of their trade policy. The only difference is processes in which they make their foreign policies. I find that the domestic interest groups seem to have been more influential during the Chretien era than in Trudeau's. Thus, I conclude that dominant class theory is more suitable to explain the domestic sources of Chretien's China policy while the modified statist model is probably more accurate in explaining the Trudeau policy.

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Chapter One

Introduction

The purpose of this paper is to examine the internal and external factors that have influenced Canada's policy toward China during the Trudeau and Chretien eras. Since Canada recognized the People's Republic of China (PRC) in October 1970, Sino-Canadian relations have continued to expand widely across political, social, and economic dimensions. Canadian diplomacy in China has prospered: a series of high-profile visits have taken place; trade with China has grown steadily; federal and provincial governments have established a web of connections with counterparts in China through exchanges and twinning arrangements. This generally harmonious relationship temporarily ended with the Tiananmen Incident in 1989 which made Chinese domestic policies as controversial as they had been from 1950 to 1968. In Canada, as in other countries, not only was there a great deal of anger expressed about the event but there were strong demands from a large number of domestic groups that their government adopt sanctions against China. Therefore, I will also examine arguments made by the Chretien government about Canada's change in its attitude toward China after the Tiananmen Incident. We know that, after the massacre, public responses in Canada to sanctions were divided, nor was there agreement among Canadian policy-makers. Pro-democracy and human rights activists asked Canada to link trade with human rights issues to punish China, while pro-business groups lobbied to rebuild relations with China as soon as possible to increase Canadian business opportunities in China. Thus, though applying some sanctions against China, Canada did not rupture the main strands of its relationship with China.

After the Tiananmen Incident, Chretien's Liberals who were in opposition criticized the Conservative government for allowing commercial consideration to get in the way of Canada's concern for human rights. They demanded cutting trade promotion

programs, aid projects and high-level contacts with Chinese officials. However, after the Chretien government took office in October 1993, economic considerations appeared to prevail over that of human rights. High level visits and projects for collaboration resumed between the two countries. Among these, the most conspicuous event was the signing of a number of business contracts with the Team Canada lineup in November 1994, the largest trade delegation that Canada has ever sent abroad. One result was that the Chretien government's China policy faced criticism from domestic and global human rights activists, who snubbed the Chretien government for shifting Canada's stance on democracy and human rights and for being self-serving.

To rebut criticism of his foreign policy toward China, Chretien offered several reasons even though his stance contravened the position the Liberals had formerly taken as the opposition party. China's fast-growing economy and its huge market offer Canada considerable opportunities for investment, export and commercial activity. These activities would create jobs and prosperity in Canada. In addition, it was argued that Canada will change China in a positive way by cooperating with the government instead of isolating it. Bringing China into the international community will be constructive in terms of East Asian and global stability. Furthermore, Canada should be more engaged in Asia-Pacific affairs. China is a nuclear power and should not be excluded from bilateral or multilateral arrangements for security. It is wise for Canada to maintain a good relationship with China in order to ensure Canada's participation in this region. All these above reasons are reminiscent of the relationship that the Trudeau government created with China when Canada recognized China in 1970. There are some questions as to whether Canada faced similar challenges in the international environment in 1970 as it did in 1994 and whether these kinds of challenges prompted them to look for a new approach toward China. Therefore, I will compare both Trudeau's and Chretien's governments to see the similarities and the differences between their policies toward China and the changes they made from their previous governments. What were the

dominant perceptions of China policy by Trudeau and Chretien? What were the influences on their China policy? Did external political influences affect both of them? How much room did Canada have for an independent approach to China? On top of those questions, I will also look retrospectively at Canada's recognition of China and describe what the decisive factors were that prompted Trudeau's China policy decisions to see if there is policy continuity.

Moreover, this paper will look briefly at Canada's overall policy toward the Asia-Pacific region and place Canada's China policy in that context. Post-war Canadian foreign policy has been characterized by a generally Atlantic orientation, seldom paying too much attention to Asia and China. Canadian security was focused on Europe rather than Asia. After the government in China shifted to the Communist party from the Nationalist party, the decisions of the Canadian government toward China were affected by American actions and attitudes. Prime Ministers St. Laurent and Pearson, in the successive governments, attempted to recognize Communist China but failed because of the constraint of the international environment and American attitudes of anti-Communism. As Paul Evans says, "[t]he objectives of internationalism, Canadian activism, and ending the isolation of a great power were frustrated by events abroad, bad timing, and overriding importance of relations with the United States."[1] Indeed, the outbreak of Korean War, the unfriendly attitude of Communist China, and the two crises in the Straits of Taiwan delayed Canada's establishment of relationship with Communist China. Canadian China policy was constrained by its relative incapability and its deep dependence on the United States, even though some see the early post-war era as the golden age of Canadian foreign policy. Clearly the United States was the leader and was decisive in setting the agenda for the China policy of most Western governments. However, the Trudeau government's and the Chretien government's China policies

[1] Paul M. Evans, "Introduction: Solving Our Cold War China Problem," in Paul M. Evans and B. Michael Frolic eds., *Reluctant Adversaries: Canada and People's Republic of China, 1949-1970* (Toronto: University of Toronto Press, 1991), 5.

apparently do not follow Washington's lead at their respective times. I will try to find the answer for the following question: What drove their China policy despite of the oppositions of other countries, especially the U.S.?

After comparing Canada's China policies under Trudeau's government and that of Chretien's, I will argue that these two Prime Ministers are both realistic and pragmatic, and that economic interests, rather than human rights issues are and will be a key factor in improving the relationship between Canada and China.

According to Denis Stairs, an output of foreign policy decision-making should be the product of a combination of minds and conditions, especially the first applied to the second. "For those who seek to understand the sources of foreign policy, therefore, intellectual effort could be devoted usefully to the analysis of either--or both."[2] However, some foreign policy literature stresses the power of conditions over the power of choice while some others give maximum emphasis to the individuals' will. How can we determine whether Trudeau's successful recognition of China and Chretien's 'Team Canada' mission to China were the result of an 'independent' approach or just a coincidence with the change of international politics and the loosening of American influence over its allies? When the two governments came to office, they both made a large scale foreign policy review and tried to expand domestic access to Canadian foreign policy. Can we see any influence from domestic interest groups, parliament, or the provinces in Trudeau's and Chretien's China policy?

Many political science scholars try to find a research model to analyze policy decision-making processes. However, the study of foreign policy is still developing and sometimes lacks rigor, but most analysts agree that state behavior is affected by both external and internal pressure. Yet, as James Rosenau observed,

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[2] Denis Stairs, "Will and circumstance and the postwar study of Canada's foreign policy," *International Journal*, 50, no.1 (Winter 1994-5), 9.

> [t]o uncover processes that affect external behavior is not to explain how and why they are operative under certain circumstances and not under others. To recognize that foreign policy is shaped by internal as well as external factors is not to comprehend how the two intermix or indicate the conditions under which one predominates over the other.[3]

Foreign policy has in fact both international and national determinants. Some of the literature stresses that Canada's external relations have been "domesticated" since the late 1960s. This does not mean that international factors are no longer important and decisive to Canadian foreign policy. According to Kim Richard Nossal, "domestication" refers to the fact that Canada's agenda is no longer dominated by the traditionally 'external' issues of high politics such as military and security affairs but by low politics issues such as fisheries, pollution, tariffs and non-tariff barriers, and so on. Moreover, he clarifies that "the domestication of Canadian foreign policy also refers to the process of allowing more input into the shaping of 'low' policy by those domestic groups affected by these issues."[4] Thus, he uses a modified statist paradigm to analyze the domestic sources of Canadian foreign policy and suggests that policy preferences emerges not from civil society but from within the apparatus of the state. In other words, government officials have their own conceptions of the national interest, as well as organizational and personal interests, and "are never assumed to be automata acting on behalf of any group or class within society."[5] However, the modified statist theory also assumes that the state could be constrained and impelled by societal preferences.[6]

However, Cranford Pratt argues that "dominant class theory offers a more appropriate theoretical approach for the study of the domestic determinants of Canadian foreign policy than does statist theory."[7] The dominant class theory "assumes significant

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[3] R. Barry, Farrell ed., *Approaches to Comparative and International Politics* (Evanston, Ill: Northwestern University Press, 1966), 31.
[4] Kim Richard Nossal, "Analyzing the domestic sources of Canadian foreign policy," *International Journal*, 39, no.1 (Winter 1983-84), 10.
[5] Ibid., 17.
[6] Ibid., 18.
[7] Cranford Pratt, "Dominant class theory and Canadian foreign policy: the case of the counter-consensus," *International Journal*, 39, no.1 (Winter 1983-84), 134.

state autonomy but sees the state as heavily influenced by structural and class factors in ways that will favour capitalism in Canada and as especially attentive to the interests of the dominant class and its attitudes and values."[8] It shares with statist theory the identification of the fact that the state enjoys a significant autonomy in the exercise of its authority, but dominant class theory offers a hypothesis about the determinants of the goals and objectives which a bureaucracy will seek to pursue in the exercise of that autonomy. Pratt strongly agrees that there is indeed a dominant class in Canada and that this class has an influence within the political system which no other sector of Canadian society enjoys.[9] He continues to argue that:

> [t]o find evidence of this dominant class bias, one need but recall the personal and financial links between the corporate sector and the two major political parties, the links between senior servants and the corporate sector, and the ideology which is largely shared by the dominant class and the senior bureaucracy.[10]

Pratt suggests there are practical and political reasons that require a more frequent involvement from business and industry in the government's negotiations relating to economic matters, such as the General Agreement on Tariffs and Trade (GATT, and now World Trade Organization, WTO). And because of the greater importance of economic matters in foreign policy issues, Canadian governments have "a close identification with business and industry and has developed elaborate machinery to ensure close cooperation with them"[11] rather than with other public interest groups such as consumer organizations or human rights groups.

Therefore, we can look at Canada's China policy from the paradigm that government is inclined to pro-business groups or pro-human rights groups when making its decisions. Statist theory and dominant class theory offer different explanations for the

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[8] Ibid., 100.
[9] Ibid., 117.
[10] Ibid.
[11] Cranford Pratt, "Canadian Foreign Policy: Bias to Business," *International Perspectives* (Nov/Dec 1982), 6.

role of domestic influences in Canadian foreign policy. The two governments' China policies should be able to provide an appropriate case study for an argument to see which approach is better to explain the two governments' China policy-making process.

Chapter Two
The Trudeau government's China Policy

Pierre Trudeau's China policy represents a significant phase in the development of the contemporary Sino-Canadian relationship. But before examining Trudeau's policy on China, we have to look briefly at how Canada dealt with that Pacific country before Trudeau took office as Canada's Prime Minister in 1968.

Historically speaking, Canada has had a "Pacific Blind Spot."[1] Compared to Canada's long connection to Great Britain and the Commonwealth and the reality of the American presence, the Pacific has been an economic and political backwater. While the realities of World War II had some impact on Canada, American war policy in the Pacific generally sheltered Canada from the events there. The advent of the Cold War, however, began to force a Canadian revaluation of their passive Pacific role. In the two instances in which Canada's armed forces participated in East Asia after 1945, Korea and Indochina, Canada's position was mainly a multilateral obligation to the United Nations, rather than as a Pacific power with important interests in that area. The coming to power of Mao Tse-tung's Communist government in 1949 began to change that perspective. 1949 presented Canada with the problem of recognition: whether to recognize a Communist government at the same time as the Cold War deepened, and as the Americans made it clear that they had no intention of recognizing the new government on mainland China.

After World War II, Canada had to rely on its major partners for making decisions concerning China. Two of the reasons for Canada's dependency on its partners were that few Canadian officials at the Department of External Affairs (DEA) were familiar with China's situation at that time, and that Canada seldom set foot in the Far East and had little interest in that region. Due to lack of experience in dealing with China, Canada had

[1] Eric Downton, *Pacific Challenge: Canada's Future in the New Asia* (Toronto: Stoddart Publishing Co., 1986), Chapter 8.

to depend on its big neighbor, the United States, and the leader of the Commonwealth, the United Kingdom. The United States was anti-Communist and traditionally had a good relationship with the Nationalist government now in Taiwan. The United Kingdom, on the other hand, preferred Mao's new Communist government out of the reason for securing British interests in China and out of the fear that non-recognition toward China would drive the new regime into the Soviet orbit.[2]

Caught between the two allies, Canada was not comfortable and tried to find a voice of its own. At that time, the voice that advocated giving China recognition at the DEA seemed louder than the one that opposed recognition. The opinions that supported recognizing China were based on the following principles. First, the Communists had effective control of most of China, which met the requirements in international law for de jure recognition. Second, recognition of Communist China does not mean Canada's approval of this government but merely an acknowledgment of fact.[3] Finally, a good relationship between China and western states could help prevent China from being pushed too close to the Soviet Union. So, the policy preferences of DEA were based on pragmatic acceptance of the situation in China and as Sir Winston Churchill said, "the reason for having diplomatic relations is not to confer a compliment, but to secure a convenience."[4]

However, the preference for recognition of China was not implemented until twenty-one years later in 1970. A number of reasons will explain this substantial delay. First, one consideration was whether Communist China would have the ability and willingness to take the responsibility of paying the debt owed by the Nationalist government to Canada. In 1950 the Minister of Finance, D.C. Abbott, insisted that steps

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[2] Robert Boardman, *Britain and the People's Republic of China 1949-74* (London: the MacMillan Press Ltd., 1976), 25.

[3] Stephen Beecroft, "Canadian Policy towards China, 1949-1957: The Recognition Problem," in Paul M. Evans and B. Michael Frolic eds., *Reluctant Adversaries: Canada and the People's Republic of China, 1949-1970* (Toronto: University of Toronto Press, 1991), 49.

[4] Robert Boardman, 24.

toward recognition should not be taken unless the Communists would minimize Canadian financial losses resulting from loans to the Nationalist government.[5]

Second, the difficulties experienced by Britain, India, and other countries which had already given recognition to China, made Canada reluctant to act. Those countries had met with a humiliating series of procedural delays on the part of the Chinese when trying to establish diplomatic relations with Mao's government. For example, the British government extended de jure diplomatic recognition to the PRC on January 1950, but an exchange of ambassadors did not take place until 1972.[6]

Third, Canada's inaction was partly a reflection of the divergence of Canadian public opinions about Communist China. As Paul Evans and Daphne Gottlieb Taras say, "the Canadian public, like the British, appear to have rejected the view that the PRC should be isolated from the international community. In both countries public opinion moved slowly toward support for expanded relations with the PRC."[7] While it is difficult to identify the sources of Canadian public opinion regarding China, one source is religious in nature. There were few ties with China except missionaries before 1950. But the views of the missionaries were divided. The instability of Mao's government and the possible Communist threat to Christianity resulted in a major impedance from the Roman Catholic church in the 1950s which strongly opposed expanding relations with China. Party differences also were clearly visible. John Holmes identifies clearly the different perspectives of the major parties toward Red China: "strong opposition to dealing with Peking has been voiced from time to time by some leaders of the Conservative Party and by some Liberal M.P.s. It is most strongly expressed by members of the Social Credit Party, which is influenced by the American Right. . . . The New Democratic Party has, along with the trade unions, consistently and vigorously advocated measures to end the

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[5] Stephen Beecroft, 50.
[6] The detail that the Britain felt humiliated about Peking's response can be seen in Boardman, Chapter 3.
[7] Paul Evans and Daphne Gottlieb Taras, "Canadian Public Opinion on Relations with China: An Analysis of the Existing Survey Research," (Toronto: Joint Centre on Modern East Asia, Working Paper #33, March 1985), 11.

isolation of China."[8] At that time, China was characterized by the Progressive Conservative and Social Credit members as "blood-thirsty," "an insatiable monster," "aggressive," "expansionist," "Soviet-dominated," etc.[9] To the contrary, Liberal and CCF/NDP members were concerned primarily with China's size and international importance, and "were much less likely to convey anti-Communist images."[10] Because there was no convergence in images of Red China, the Canadian government adopted a generally cautious approach to the controversial China problem.

Fourth, the Canadian wait-and-see attitude was reaffirmed by the outbreak of the Korean War. It was impossible for the Canadian government to recognize the PRC at that time because the PRC was declared an aggressor by the United Nations General Assembly in February 1951.[11] Moreover, the hostile attitude the U.S. took toward Peking ensured that recognition of China by Canada or other allies would provoke a negative response from Washington. Yet the conflict had not changed Canada's preference for its recognition of China. In a memorandum issued on 15 May 1953, DEA still emphasized that "recognition and the eventual seating of Chinese Communist representatives in international organizations would be the goals of Canadian policy in the post-war years."[12]

Fifth, recognition was made more difficult by Washington's deep commitment to the defense of Taiwan. In the United States, disapproval of the Peking regime was fostered by the surprisingly popular and virulent form of anti-communism, McCarthyism.[13] This attitude represented the greatest obstacle to any Canadian attempt to recognize China. Though there was no evidence that the American effort to discourage

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[8] John Holmes, 213-214.
[9] Paul Evans and Daphne Gottlieb Taras, "Looking (Far) East: Parliament and Canada-China Relations, 1949-1982," in David Taras ed., *Parliament and Canadian Foreign Policy* (Toronto: Canadian Institute of International Affairs, 1985), 77.
[10] Ibid..
[11] Stephen Beecroft, 54.
[12] Ibid., 55.
[13] F.Q. Quo and Akira Ichikawa, "Sino-Canadian Relations: a New Chapter," *Asian Survey*, 12, no.5 (May 1972), 388.

Canada's possible recognition had been expressed in the form of pressure on Canadian policy-makers, the way in which the United States viewed Communist China determined the framework by which Canada's relations with China were conducted. Canada preferred to take a more realistic stand toward China's Communism, while not necessarily approving the Communist life style. Lester Pearson put his perspective clearly in an address in 1953 to the Harvard University Alumni Association in Cambridge. He said, "there is no dispute over the necessity of resisting Communist military aggression"; however, he tended to support a policy to see Communism in Asia as "a social, economic and political development, growing out of special Asian conditions and one primarily for Asians to deal with; that the only justification for direct Western intervention is when Communism expresses itself in military aggression."[14] This attitude was very different from that of the United States, which was "to prevent the appearance of Asian Communist governments; and to weaken and destroy them if they have managed to obtain power."[15] Pearson was convinced that recognition was necessary and inevitable and wanted St Laurent's government to move in that direction but he still had to think seriously about how any step would affect Canadian-American relationship. As John W. Holmes says, "the American government has never failed to express to the Canadian government its anxiety that Canada should not step out of line."[16] During the Cold War, the United States had the responsibility of maintaining its prestige in the democratic camp and assuring the security of "free Asia" in order to contain the Soviet Union. As an ally of the United States, Canada could not help but be influenced by the American policy.

Finally, the Taiwan problem was also a direct barrier to Canada's recognition of the PRC. After the Korean War, the Peking government insisted that it would not accept any country's recognition without specific comments on the status of Taiwan, comments

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[14] Department of External Affairs, *Statements and Speeches*, 53/30, 11 June 1953.
[15] Ibid.
[16] John W. Holmes, *The Better Part of Valour: Essays on Canadian Diplomacy* (Toronto: McClelland and Steward Limited, 1970), 215.

which should include recognizing Taiwan as an inseparable part of China and the willingness to sever diplomatic relationship with the regime in Taiwan if necessary. In other words, countries that desired to establish diplomatic relationships with the PRC had to accept its sovereignty over Taiwan. The Canadian government consistently held the view that the status of Taiwan should be decided by an international conference and suggested a "two-China" solution. However, this solution was acceptable to neither the Nationalists nor the Communists and remained an obstacle in Canada's negotiation with Communist China.

The American factor affected not only Canada's policy toward recognition of the PRC, but also Canada's trade policy with the PRC. It is noteworthy that Canada's trade with the PRC, which developed in the 1960s, did not influence Canada's political relationship with the PRC. Trade ties were developed without diplomatic recognition or official contacts and, to some extent, under the constraint of the American legislation. Trade volume between Canada and the PRC was very small, especially after the outbreak of Korean War. Given the broad context of its alignment within the Western camp at that time, Canada did not have too many opportunities to trade with China. In October 1951, the U.S. congress passed the Battle Act to pressure its allies and recipients of American military or economic aid by claiming that the U.S. would cut off aid to any nation that sold strategic items to China.[17] The U.S. Foreign Asset Control regulations under the Trading with the Enemy Act "prohibited all persons (including the foreign subsidiaries of U.S. corporations) subject to the jurisdiction of the U.S. from engaging in an unlicensed commercial transaction"[18] with China until 1969. Regardless of whether it was effective for the U.S. to pressure its allies to embargo trade with China, Canada, which had its

[17] See Oliver M. Lee, 'U.S. Trade Policy Toward China: From Economic Warfare to Summit Diplomacy," in Arthur A. Stahnke ed., *China's Trade with the West* (New York: Praeger Publishers, 1972), 44-46.
[18] Claude E. Forget, *China's External Trade: A Canadian Perspective* (Canada: The Canadian Economic Policy Committee, 1971), 63-64.

major market in the U.S., would not risk displeasing the U.S. administration by pursuing an active trade policy with China. As H. S. Albinski and F. C. Raabe analyze,

> [n]o confident estimates are possible as to how much of the Chinese market Canada has forfeited or might continue to forfeit because of the interlocking of its economy with the United States. However, it is clear that many Canadian firms have simply not bothered to explore sales to China because they were American subsidiaries or were reluctant to offend steady American customers.[19]

Because Canada's China policy mostly depended on the American factor through the 1950s and the 1960s, it follows that Canada's trade with China would have little prospect at that time. Ironically, the Diefenbaker government, while taking a non-recognition position toward the PRC, began trade negotiations with China in the early 1960s. Diefenbaker's Conservative Party was very anti-Communist but had a poor relationship with the U.S. Alvin Hamilton, Diefenbaker's Minister of Agriculture, who advocated "Peace Through Trade," believed that "the quickest way to achieve peace with your enemies is to start trading with them."[20] According to the study of Albinski and Raabe,

> [w]heat sales to China began to climb as of 1961 when 38 million bushels were sold and eventually China became Canada's best wheat customer. In 1969 a one-year deal covering 86 million bushels was transacted. In 1970 the Chinese contracted for up to 98 million bushels, about a tenth of the mid-1970 carryover in storage. The Prairie farmers can claim that the Chinese wheat sales have been an asset not only to them but to the Canadian economy and trade balance generally.[21]

However, during the 1960s, Sino-Canadian trade was not very important to either country. The Taiwan problem and the American factor still remained as the two major obstacles to Canada's economic and diplomatic relationship with the PRC. In fact, these

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[19] Henry S. Albinski and F. Conrad Raabe, "Canada's Chinese Trade in Political Perspective," in Arthur A. Stahnke ed., 100.
[20] Patrick Kyba, *Alvin* (Regina: Canadian Plains Research Center, 1989), 239.
[21] Henry S. Albinski and F. Conrad Raabe, 94.

two factors intersected with each other because the American pressure to Canada mostly came from its deep commitment to Taiwan.

The U.S.' strong opposition toward China temporarily lessened in the early 1960s and seemed to spark an expectation of change for Canada's China policy. U.S. President Kennedy wanted to "take steps to lessen the ominous prospect of confrontation with a Communist China possessing nuclear weapons."[22] This evolving American attitude offered a chance for improvement in Sino-Canadian relations. In Canada, however, Lester Pearson's Liberal Party won the national election in 1963 and Pearson was still cautious when assessing the reaction of the U.S. Since Canada's trade relations with China were not affected by the absence of formal diplomatic ties, it was not necessary to give recognition to China and so to run the risk of angering the United States.[23] With the assassination of Kennedy and the escalating American involvement in Vietnam, the American attitude toward the PRC hardened and Canada lost its chance to improve relations with China.

In addition to the Chinese involvement in Vietnam, other Chinese developments in the international arena increased American hostility toward China. When France recognized the PRC in 1964, America feared that Canada would follow France's lead, so it "conveyed its firm opposition to any Canadian move"[24] in the direction of giving recognition to China. Canada's Department of External Affairs (DEA) began to work on a "one-China, one-Taiwan" resolution that would support both Taiwan and the PRC as members of the United Nations. This resolution was not only rejected by both Chinese governments but also by the Johnson Administration. After Communist China exploded an atomic bomb in 1964, America needed to maintain its prestige and its strategic

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[22] Norman St. Amour, "Sino-Canadian Relations, 1963-1968: the American Factor," in Paul M. Evans and B. Michael Frolic eds., 106.
[23] Ibid., 107.
[24] Ibid., 109.

interests in Taiwan and the Far East, so it adamantly opposed any Canadian initiative to recognize China.

Pearson stated his own caution in an interview with a CBC reporter in 1965.

> I have always taken the view that if there is a division of opinion in your own country on a particular item of foreign policy, such as recognition of Red China ... then it seems to me the reaction of the United States becomes even more important. If you can't make up your minds ... then you should be very careful about not getting into trouble with your friends.[25]

Indeed, as a middle power and ally to one of the two superpowers in the Cold War, Canada needed to maintain good diplomatic and trade relations with the U.S. Being on good terms with the U.S. was more important for Canada than establishing ties with China in terms of ensuring Canada's economic growth and stability. As John W. Holmes describes, "Canadian policy has indeed been determined by American policy--not by American pressure but by the fact of American policy."[26] In 1966, the outbreak of the Great Proletarian Cultural Revolution became another obstacle toward Canada's recognition of China because the revolution caused chaos in the country. The revolution also made the American opposition toward Canada's interest in recognition become even firmer. In addition, Chinese interference in the Vietnam War increased American vigilance toward China. Dean Rusk, then U.S. Secretary of State, did not agree with Canada's belief that an isolated China might threaten world peace and limit the ability of the UN to deal effectively with the Vietnam war.[27] In the end, this compelling chain of reasons against recognition were reevaluated, prompting Canada to complete the recognition of China when Pierre Elliot Trudeau took office.

Trudeau brought a new approach to Canadian foreign policy when he became the prime minister in 1968. He "stressed his pragmatism and realism and the necessity for

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[25] Ibid., 122.
[26] John W. Holmes, 215.
[27] See John English, "Lester Pearson and China," in Paul M. Evans and B. Michael Frolic eds., 140.

Canada to use its limited resources in the most efficient way possible."[28] In the foreign policy review, *Foreign Policy for Canadians,* which was published by the Common's External Affairs Committee in 1970, Trudeau rejected the "helpful-fixer" role that had been the hallmark of Pearson's diplomacy. He emphasized that Canada should have an "inward-looking concern for the national interest, for economic growth as the focus of Canadian foreign policy, followed by social justice and the quality of life."[29] He set economic growth as his highest priority and used a realistic approach to reflect Canada's vital necessity to trade. In order to increase economic growth, he attempted to reduce Canada's excessive dependence on the United States. This was expressed by a statement, called the "Third Option" strategy, on Canada's relations with the United States in 1972 prepared by Secretary of State for External Affairs Mitchell Sharp. This strategy expressed dissatisfaction with the status quo of the Canada-United States relationship and the prospects of greater continental integration. It attempted to "wean Canada away from excessive dependence on the United States by developing closer economic and political ties with other countries."[30] Given that Canada's China policy, including recognition and trade relationship, had been influenced by the United States, Trudeau's China policy was one of the focal points for a symbolic emancipation from American influence. According to the DEA's guidebook on Pacific policy in 1968, "strengthened relations with the Pacific will not only serve the broad objectives of Economic Growth, Social Justice, and Quality of Life, but will continue to contribute to the meaning and purpose of Canada's constant evolution as a unique and independent national community in North America."[31] Thus, recognition of China had two important purposes for the Trudeau

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[28] J.L. Granatstein and Robert Bothwell, *Pirouette: Pierre Trudeau and Canadian Foreign Policy* (Toronto: University of Toronto Press, 1990), 12.
[29] Ibid., 33.
[30] Donald Macintosh, Donna Greenhorn and Michael Hawes, "Trudeau, Taiwan, and the 1976 Montreal Olympics," *American Review of Canadian Studies*, 21, no.4 (Winter 1991), 425.
[31] Ibid., 427.

government: one was to pursue an independent policy from the United States; the other to pursue more trade interests in the Asia Pacific region.

Trudeau's decision to move toward recognition of the PRC probably stemmed from his earlier experience in China. Trudeau was the only western head of government who had been to China twice (1949 and 1960) as a private citizen before he was elected. His intention to proceed with Canada's recognition of the PRC could be observed from his comments on his later visit to China in 1973. He said, "thirteen years ago I sat in this Great Hall thinking some day we should recognize this great nation."[32] Thus, during his election campaign, he expressed the view that he would establish diplomatic ties with China if he became Canada's Prime Minister, regardless of China's chaos caused by the Cultural Revolution and the Taiwan problem.[33] On May 29 1968, Trudeau articulated his China policy in a major statement.

> We shall be looking at our policy in relation to China in the context of a new interest in Pacific affairs generally . . . Canada has long advocated a positive approach to Mainland China and its inclusion in the world community. We have an economic interest in trade with China . . . and a political interest in preventing tension between China and its neighbors, but especially between China and the United States. Our aim will be to recognize the People's Republic of China Government as soon as possible and to enable that Government to occupy the seat of China in the United Nations, taking into account that there is a separate Government in Taiwan.[34]

The decision to recognize China did not create much stir among dissenting Liberals or the opposition parties.[35] Public opinion in favor of recognizing China rose remarkably from the 1950s to 1960s, during which most Canadians acknowledged the importance of Canada's trade relations with China.[36] Canadian Protestant churches, especially the United church which had opposed China earlier, surprisingly changed their

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[32] John D. Harbron, "Recognizing China, 1970," in Don Munton and John Kirton eds., *Canadian Foreign Policy: Selected Cases* (Scarborough: Prectice-Hall Canada, Inc., 1992), 227.
[33] Ibid., 228.
[34] As quoated in J.L. Granatstein and Robert Bothwell, 180.
[35] John D. Harbron, 228.
[36] John W. Holmes, 213.

attitude toward Communist China and finally favored recognizing Peking.[37] Despite the strong support of Taiwan's Nationalist government by Toronto's Chinese community, according to Janet Lum's case study, the Chinese community had little effect in shaping the Trudeau government's position. Most Chinese Canadians were much more concerned about issues such as immigration because they immediately affected the Chinese immigrants' lives in Canada. Lum concludes that "from the perspective of the Canadian government under Trudeau, neither the apparent pro-KMT sympathies of the Chinese community, nor the potential threat of PRC subversion, was seen as a major impediment in the recognition process."[38]

Accordingly, as Harald von Riekhoff stated, Trudeau's principal objections to Canada's previous foreign policy centred on three arguments: first, "Canadian foreign policy inadequately served domestic political needs;" second, "it was too slow in coming to terms with changed international circumstances;" and third, "it lacked a proper rational foundation which could be used to reconcile the diverse policy components."[39] This was partly the result of Trudeau's concept of Canada's broader international position. Trudeau repeatedly struck a note of modesty to Canadians against exaggerating Canada's power or influence. "What Canada can hope to accomplish in the world must be viewed not only in the light of Canadian aspirations, needs and wants but in terms of what is, from time to time, attainable."[40] The Trudeau government no longer overemphasized Canada's internationalism of Pearson's times and shifted its multilateral tradition to a unilateral approach to foreign policy decisions.[41] Thus, although Canada would remain a member of NATO and UN, Trudeau's defence policy review decided to bring about a

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[37] John D. Harbron, 229.
[38] Janet Lum, "Recognition and the Toronto Chinese Community," in Paul M. Evans and B. Michael Frolic eds., 218.
[39] Harald von Riekhoff, "The Impact of Trudeau on Foreign Policy," in J. L. Granatstein ed., *Canadian Foreign Policy: Historical Readings* (Toronto: Copp Clark Pitman Ltd., 1986), 251.
[40] Department of External Affairs, *Foreign Policy for Canadians* (Ottawa, 1970).
[41] Tom Keating, *Canada and World Order* (Toronto: MaClelland & Stewart Inc., 1993), 169.

planned and phased reduction of the size of the Canadian forces in Europe and in peacekeeping operations of UN.[42]

Another reason why Trudeau decided to press forward with recognition is explainable in terms of national unity. According to Harald von Riekhoff, "[Trudeau's] tenure of office as Prime Minister coincides with the most serious challenge that has ever confronted the Canadian federal system, his domestic preoccupations tend to be reinforced, whatever his personal predilection."[43] There is little doubt that the most important priority of Trudeau's government was national unity. Thus, his foreign policy review defines foreign policy as "the extension abroad of national policies."[44] That means external activities should be directly related to national policies and serve more national than global objectives.

In order to reach his goal of national unity, Trudeau viewed economic growth as one of the most important means. He emphasized "an expanding economy and a fairer distribution of our national wealth are fundamental to our concept of the Just Society."[45] The recognition of China, and the potential economic benefits, thus became part of national unity.

As for China more specifically, he viewed the failure of the West to improve relations with Communist China as irrational because, politically, they "refuse to recognize the existence of those who rule a quarter--soon to be a third--of the human race;" economically, they hesitated "to increase [their] trading relations with the most formidable reservoir of consumption and production that has ever existed;" spiritually, they were "perpetuating the established identification between Christianity and the most reactionary interests of the West, notably in linking the future of a certain kind of

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[42] *Statements and Speeches*, 69/7, April 3, 1969.
[43] Harald von Riekhoff, 249.
[44] *Foreign Policy for Canadians*.
[45] Bruce Thordarson, *Trudeau and Foreign Policy: A Study in Decision-Making* (Toronto: Oxford University Press, 1972), 82.

missionary effort to the (unimaginable) return to power of Chiang Kai-shek."[46] He was quite positive that establishing diplomatic relations with China would be beneficial to Canada's diverse options in its foreign policy.

Trudeau's foreign policy review also recognized a changing international environment and argued that the foreign policy of the past was not sufficiently attuned to conditions of his time. In the late 1960s, the premises of Canadian foreign policy were challenged by the recovery of Western Europe from the wreckage of World War II, the emergence of the 'Third World', the cleavage between Moscow and Peking, and the detente in East-West relations. Canada's relative importance was also reduced especially because of the recovery of Japan and Western Europe and because of an increasing number of newly independent countries in Asia and Africa.[47] Moreover, Canada's influence as a traditional middle-power seemed to decline after the United Nations' ordeal in the Congo, its peacekeeping frustrations in Vietnam, followed by the collapse of the UN Emergency Force (UNEF) in 1967.[48]

As for the relationship with the United States in the late 1960s, many Canadians were beginning to question the foreign policies of their principal ally, especially the policy toward the war in Vietnam. Moreover, cultural and economic nationalism, directed against the United States, was growing in Canada.[49] However, the presence of the United States was and is always looming in Canada's external environment and it inevitably determines the parameters of Canadian foreign policy. Trudeau's foreign policy review mentioned that "it is probably no exaggeration suggest that Canada's relations almost anywhere in the world touch in one way or another on those of its large neighbor."[50] But, it also believed that there was no reason that "the United States

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[46] Jacques Hebert and Pierre Elliott Trudeau, *Two Innocents in Red China* (Toronto: Oxford University Press, 1968), 2.
[47] Bruce Thordarson, 12.
[48] *Foreign Policy for Canadians*.
[49] Bruce Thordarson, 15.
[50] *Foreign Policy for Canadians*.

government would consider intervening directly in Canadian affairs."[51] Trudeau never discarded the American factor, but assumed that the U.S. would not impede Canada's approach toward China in political, economic, or cultural interactions.

Indeed, Canada's trade policy with China in the sixties did not receive any formal diplomatic pressure from the U.S. But, if there was any, it probably was the anxiety of Canadian subsidiaries from American parent companies acting in accordance with American legislation.[52] Once this anxiety disappeared, Trudeau would pursue more diverse options toward China, such as establishing a formal diplomatic tie with China. When Trudeau's China policy review was proceeding, the Department of Finance was assessing the economic repercussions from possible American retaliation. Canada could encounter the American legislation limiting Canadian imports and reducing contracts in purchasing defence weapons in Canada.[53] However, these concerns were not so serious as they had been a few years ago. In addition, because Canadian trade with Cuba did not bring about a hostile American reaction, Canada didn't need to fear American economic sanctions in the case of China.[54]

Finally, the American policy change toward China in the detente era also relieved Canadian hesitation. As Denis Stairs describes, "the range of Canadian options in external affairs is . . . limited not merely by the explicit machinations of the American policy community (both actual and anticipated), but by subtle processes of integration which affect the values and perceptions of Canadian publics and policy-makers, and the structure and substance of their politics."[55] It is true that Canada's delay in recognition of China for nearly twenty years was constrained to a great extent by American China policy. Therefore, even though Trudeau had a strong will to recognize Communist China, he still had to wait for the right timing which came during the detente in East-

[51] Ibid.
[52] John W. Holmes, 215.
[53] B. Michael Frolic, 197.
[54] Ibid.
[55] Denis Stairs, "Reviewing Foreign Policy, 1968-70," in Don Munton and John Kirton eds., 193.

West relations. John Holmes discusses the different strategic approaches of Canada and America between 1950 and 1965.

> Whereas in the United States concern for 'free Asia' meant Korea, Taiwan, South Vietnam, Thailand, and the Philippines, for Canada the term 'free Asia' conjured up Commonwealth Asia: India, Pakistan, and Ceylon. Washington said it was listening to the voice of 'free Asia' when it refused to deal with Peking, but to Canadians, 'free Asia' was insisting on the unwisdom of American policy toward China."[56]

Canada had neither the ideological nor emotional burdens as had the U.S. in order to maintain its containment policy and to secure its prestige and commitment in the Far East, but Canada simply could not act.

Although American President Nixon rejected any immediate change toward China when he took office in 1969, he recognized that hostility was no longer beneficial to the American interest. Early in 1966, he urged a diplomatic communication with China as soon as possible but then President Johnson did not respond.[57] After Nixon became the president, he privately told General Vernon Walters that one of the first things he wanted to do was to establish contact with the Chinese.[58] His attitude toward China was "containment without isolation",[59] in other words detente. Due to his changed attitude toward China, Canada's searching for opportunity to establish diplomatic ties with China now could be successful.

Many Canadian scholars claim that Canada's subsequent establishment of diplomatic relations with China shows that Canada could break from American influence and embark on a path that diverged from officially-held American positions. As Michael Frolic says, "the recognition of PRC could be viewed as an act of emancipation from

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[56] John W. Holmes, 206.
[57] Richard Nixon, *The Memoirs of Richard Nixon* (New York: A Filmways Company Republishers, 1978), 273.
[58] Stephen E. Ambrose, *Nixon: The Triumph of a Politician, 1962-1972* (New York: Simon and Schuster, 1989), 252-3.
[59] Richard Nixon, "Asia After Vietnam," *Foreign Affairs*, 46, no.1 (Oct 1967), 123.

unnecessary American tutelage, a vindication of the 'third option' in Canadian foreign policy."[60] However, there is a different perception of the influence of the United States on Canada. John Harbron argues that,

> . . . fast-moving political events in the United States meant that the perennial threat of United States opposition to Canadian efforts to approach China would fade in the winter of 1968-9. Already it was clear to Ottawa that the republican administration of President Nixon which would take office in January 1969 was going to attempt some dramatic shifts in foreign policy toward the two superpowers of the Communist world, including proposed major rapprochement's with Moscow (for a military detente) and an attempted 'opening' with the People's Republic. Washington would therefore encourage Canadian efforts at Stockholm during 1969-70 to see how successfully the Canadians could negotiate with the Chinese, before sending their own feelers toward a long-hostile Chinese regime."[61]

Indeed, although the United States did not support the Canadian decision to recognize China, there was no reason for America to interfere at that time. From Maureen Appel Molot's article "Canada's Relations with China since 1968", we learn that Trudeau had discussed the Canadian recognition decision with Nixon when he visited Washington in March 1969.[62] By the end of 1969, President Nixon and Secretary of State Henry Kissinger had begun their secret diplomatic efforts to normalize relations with the PRC. It was not necessary for Canada to fear American economic retaliation or other threats.

Therefore, to say that Canada's recognition of China is an expression of its independent foreign policy is to exaggerate Canada's achievement. Canada indeed pursued its own foreign policy and attempted to curb American influence. But as a middle power, Canada was limited in power and usually could not do whatever it wanted. Canada needed to be cautious in assessing the changing international environment and

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[60] B. Michael Frolic, "Canada and the People's Republic of China: Twenty Years of a Bilateral Relationship 1970-1990," *Transactions of the Royal Society of Canada*, 1, 1990, 191.

[61] John D. Harbron, 231.

[62] Maureen Appel Molot, "Canada's Relations with China since 1968," in Norman Hillmer and Garth Stevenson eds., *Foremost Nation: Canadian Foreign Policy and a Changing World* (Toronto: McClelland and Stewart, 1977), 235.

evaluating the possible consequences that its actions would bring about. Thus Canada's recognition of the PRC, which was attributed to Trudeau's pragmatic and realistic foreign policy approach, came at a time when the external environment was favorable to this decision.

It took twenty months for Canada to negotiate the recognition issue with the Peking government. The process took such a long time mainly because of the Taiwan problem. The status of Taiwan had been a fundamental issue in Canadian thinking on the recognition issue, partly because of the American deep commitment to maintaining the regime in Taiwan. When the Trudeau government announced its recognition of China in Feb 1969, the Americans were extremely concerned about the possible implications of such moves for Taiwan's Nationalist government. Although the American government no longer made any "references, as there had been in the past, to the aggressiveness of Peking, nor were there any formal or informal declarations or threats against Canada,"[63] they did emphasize that any change in relations with the PRC could not come at the expense of Taiwan. Thus, how to find a formula that would satisfy both China and the U.S. was Canada's biggest headache.

Canada and China had a disagreement about how to deal with the Taiwan issue when both of them approached the establishment of diplomatic ties. Peking announced three conditions for Canada when China and Canada conducted their first meeting in Stockholm on 21 February 1969. The conditions were as follows.

> (1) A government seeking relations with China must recognize the central People's Government as the sole and lawful government of the Chinese people;
> (2) A government which wishes to have relations with China must recognize that Taiwan is an inalienable part of Chinese territory and in accordance with this principle must sever all kinds of relationships with the 'Chiang Kai-shek gang';
> (3) A government seeking relations with China must give support to the restoration of the rightful place and legitimate rights in the United Nations of the

[63] Ibid.

PRC and no longer give any backing to so-called representatives of Chiang Kai-shek in any organ of this international body.[64]

The first two points were acceptable to the Canadian government, but the third demand was difficult to agree to. China's response to a second meeting was not positive and raised the speculation that "the Canadian effort was encountering Chinese indifference."[65] Some explained that China used the delay to gain a better bargaining position; others argued that China regarded Canada as an American surrogate and was actually interested in better relations with the United States.[66] In addition, the two sides "agreed to disagree" on the issue of giving representation to Taiwan and China respectively in the UN. The Chinese questioned the Canadian voting position in the UN, but the Canadian side replied that, once bilateral relations were established, Canada would support Peking's representation. As to China's territorial claim over Taiwan, Mitchell Sharp elaborated Canada's position.

> We are not promoting either a 'two-China' or a 'one-China, one-Taiwan' policy. Our policy is to recognize one government of China. We have not asked and do not ask the Government of the PRC to endorse the position of the Government of Canada on our territorial limits as a condition to agreement to establish diplomatic relations. To do so might cast doubts on the extent of our sovereignty. We do not think it would be appropriate, nor would it be in accordance with international usage, that Canada should be asked to endorse the position of the Government of the PRC on the extent of its territorial sovereignty. To challenge that position would, of course, also be inappropriate.[67]

Since Canada did not ask the PRC to endorse Canadian territorial claims, the PRC should not ask Canada to endorse China's territorial claims, either.

Finally, Canada and China announced the establishment of diplomatic relations in October 1970 using a simple innovative phrase known as "the Canadian formula" to deal with the Taiwan issue. In the official communique the Canadian government recognized

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[64] B. Michael Frolic, "The Trudeau Initiative," in Paul M. Evans and B. Michael Frolic eds., 200.
[65] Ibid., 201.
[66] Ibid., 201-2.
[67] Ibid., 204-5.

the PRC as the sole legal government of China and "took note" of China's territorial claim to Taiwan "without either challenging or endorsing" it. As a result of this agreement, Canada severed all diplomatic relations with Taiwan even though Canada did not acknowledge the PRC's claim to sovereignty over Taiwan.

From time to time between 1949 to 1970 the Canadian government repeatedly debated its China recognition policy. As government spokesmen noted in their speeches on the subject, "what was involved was the recognition of a government, not the approval of a regime."[68] However, the decision of recognition was actually a political, not a legal matter. It might be true that Trudeau was the catalyst in the movement toward recognizing China, but what was more important were the international circumstances that helped to promote this success. It is understandable that Canada sought to establish diplomatic ties with Communist China for pursuing economic interests. As John Holmes noted in 1964,

> [p]resent exports to Communist China may prove to be a passing phenomenon, but they have probably been the decisive factor in creating what at last seems to be a decisive majority opinion in favor of recognizing the Peking regime.[69]

It could be suggested that Trudeau's initiative to recognize China was a natural outgrowth of trade involvement since the 1960s. Though then External Affairs Minister Sharp indicated that Trudeau's initiative was primarily aimed at strengthening the cause of peace,[70] it could not be denied that diplomatic relations could help to expand Canadian business opportunities and facilitate Canadians seeking a greater market in China. It is noteworthy that domestic influences are not considered and that the major obstacles for Canada's China policy mostly resulted from the American pressure and the Taiwan issue. Thus, when the external constraints were gone after the U.S. changed its attitude toward

[68] Maureen Appel Molot, 230.
[69] John Holmes, 212.
[70] Henry S. Albinski and F. Conrad Raabe, 122.

China, and when the Taiwan issue could be resolved by the so-called "Canadian formula" that seemed not to sacrifice Taiwanese interests and to defy the American concern, Canada, with Trudeau's strong will to recognize China, was finally able to establish diplomatic relations with the PRC in 1970.

Chapter Three

Chretien Government's China Policy

After recognizing the PRC in 1970, Canada established a diverse range of political, social and economic programs with China. Canada set up its Embassy in Beijing and the Chinese Mission opened in Ottawa in 1971. Prime Ministers Trudeau and Brian Mulroney visited China respectively in 1973 and 1986. High-profile visits were frequent and were viewed favorably by both countries. A substantial network of cultural and educational exchanges proliferated and enabled thousands of Chinese and Canadians to travel to each other's countries. Trade has grown steadily. The volume of two-way trade increased from $161 million in 1970 to over $3.5 billion by 1988 when China was Canada's fourth largest export market.[1] Canada's trade surplus was CDN $1.6 billion while Canada was China's eighth-largest trading partner.[2] Development assistance was launched by the Canadian International Development Agency (CIDA) in 1981, opening up a new dimension in bilateral relations. By 1988-89, China ranked as Canada's sixth largest recipient of its aid worldwide.[3] Moreover, CIDA aid programs have trained thousands of Chinese managers, officials and technicians, and has become one of the most valued instruments in the Sino-Canadian relationship.[4]

In 1989, the massacre in Tiananmen Square temporarily affected the Sino-Canadian relationship, destroying the public consensus supporting a high profile and enthusiastic connection with China. The two countries experienced the first real crisis in their relationships since 1970. There were strong demands, as in many other countries, from a large number of Canadian and global groups that their government adopt sanctions

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[1] Paul Gecelovsky and T. A. Keenleyside, "Canada's International Human Rights Policy in Practice: Tiananmen Square," *International Journal*, 50, no.3 (Summer 1995), 565.
[2] B. Michael Frolic, "Canada and the People's Republic of China: Twenty Years of a Bilateral Relationship 1970-1990," *Transactions of the Royal Society of Canada*, Series 1, vol. 1, 1990, 202.
[3] Paul Gecelovsky and T. A. Keenleyside, 565.
[4] B. Michael Frolic, 199.

against China. These groups included Human Rights Watch, the United Nations Commission on Human Rights (UNCHR), and Amnesty International. The Mulroney government imposed a series of sanctions on China, including canceling several development assistance projects, suspending high-level visits and all potential visits until a more appropriate time, withdrawing temporarily Canada's ambassador Earl Drake, issuing protests through bilateral and multilateral channels, temporarily suspending a line of credit, and suspending nuclear cooperation consultations which had began after China joined the International Atomic Energy Agency.[5] However, there were other voices who advocated expanding the trade relationship with China with a "business as normal"[6] policy, without considering China's domestic affairs. China again became controversial, as it had in the period from 1950 to 1968, engendering diverse debates which affected the Canadian government's China policy.

There were two opposite public groups promoting responses to China after Tiananmen: one group was pro-democracy and pro-human-rights and the other was pro-business. The former condemned the violent repression in Tiananmen, political imprisonment and torture in China, Chinese intervention in Tibet, and Chinese support for the oppressive regime in Burma.[7] They demanded that Canada link trade with human rights issues in order to promote human rights and democratic values. On the other hand, the people who were pro-business did not want to risk their investments and commercial interests in China, and, by and large, advocated "business as usual". The large grain dealers pointed out that in 1989 nearly one out of every three Canadian wheat farmers would get his income from sales to China.[8]

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[5] Kim Richard Nossal, *Rain Dancing: Sanctions in Canadian & Australian Foreign Policy* (Toronto: University of Toronto Press, 1994), 174-5.
[6] Paul M. Evans, "Canada's Relations with China Emergent," *Canadian Foreign Policy*, 1, no.2 (Spring 1993), 14.
[7] Ibid., 21.
[8] B. Michael Frolic, 203.

Because the Canadian media's view of China at that time was generally negative,[9] the Mulroney government had to emphasize its human rights concern when dealing with China. In late 1991, Mulroney stated in the speech in Harere that "the principle of national sovereignty is progressively being conditioned by the principles of human rights."[10] Even though evidence suggests that Mulroney's punitive measures toward China had little influence on Sino-Canadian relations and that his government did not really use sanctions to punish China for its poor human rights record,[11] the Mulroney government still chose to voice its China policy in the context of promoting human rights.

As the domestic pro-democracy and pro-human-rights groups continued calling for the improvement of China's human rights records, Jean Chretien, who became Prime Minister of Canada in 1993, led "Team Canada" to China in November 1994 to pursue commercial benefits. This group was the largest trade delegation in Canadian history--it consisted of nine premiers, two cabinet ministers, two territorial leaders, two mayors and about 400 business executives.[12] It raised speculation about whether human rights were no longer the major concern of Canadian foreign policy.

Actually, before the early 1980s, human rights had not been a major concern of Canadian foreign policy. In the words of Kim Richard Nossal, "while the interpretation of domestic jurisdiction in human rights has shifted since the late 1970s, Ottawa's continuing commitment to state sovereignty inhibits forceful action on human rights."[13] At that time, Canada emphasized state sovereignty over human rights. From the late 1980s, Canada began to exhibit a much stronger commitment to human rights than before. As Kathleen E. Mahoney describes, since 1989 "perestroika, the Tiananmen

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[9] See Kim Richard Nossal, 172-6.

[10] Paul Evans, "Canada's Relations with China Emergent," 22.

[11] About Canada's symbolic measures toward China after Tiananmen, see Paul Gecelovsky and T. A. Keenleyside's article.

[12] Brenda Dalglish and Anthony Wilson-Smith, "Bullish on China's Shop," *Maclean's*, 107, no.46 (Nov 14, 1994), 84.

[13] Kim Richard Nossal, "Cabin'd, Cribb'd, Confin'd? Canada's Interests in Human Rights," in Robert O. Matthews and Cranford Pratt, eds., *Human Rights in Canadian Foreign Policy* (Kingston & Montreal: McGill-Queen's University Press, 1988), 53.

massacre, the Gulf War, changes in apartheid South Africa, the independence of Namibia, the birth of three Baltic Republic, the civil war in the Balkan, and attention to the status of women have all served as vehicles to explain Canada's human rights policies and their place in the broader realm of foreign policy."[14] This change was confirmed by the foreign policy objectives outlined in 1992 by Secretary of State for External Affairs Barbara McDougall. These objectives included "(1) the promotion and protection of basic individual human rights, (2) the development of democratic values and institutions, (3) the establishment of good governance or responsible decision-making supported by a responsive public service, and (4) the removal of trade barriers."[15] Therefore, during the four years following Tiananmen, in view of the domestic and global calling for protest against China, Canada verbally linked human rights to China policy matters. The Mulroney government raised the human rights issue many times when meeting with Chinese officials from 1991 to 1993.

However, when Chretien took office in October 1993, he took a new approach toward the human rights issue in China. The Chretien government recognized the failure of Washington's policy of linkage between trade and human rights and saw that it is highly unlikely that the Chinese leadership will abandon its hard line on human rights. When Washington tried to link trade with human rights over renewing the Most Favored Nation (MFN) status to China, Chinese leaders were least likely to give in. Chinese authorities have a durable and stark ideological system not easily affected by Western pressure. They are very clear about how to resist actively the imposition of Western standards of human rights while continuing to engage western governments in investment and trade interests.[16] According to Chinese President Jiang Zemin, human rights "is a

[14] Kathleen E. Mahoney, "Human Rights and Canada's Foreign Policy," *International Journal*, 47, no.3 (Summer 1992), 557.

[15] Tom Keating and Nicholas Gammer, "The 'New Look' in Canada's Foreign Policy," *International Journal*, 48, no.4 (Autumn 1993), 725.

[16] J. T. Paltiel, "Negotiating Human Rights with China," in Maxwell A. Cameron and Maureen Appel Molot, eds., *Canada Among Nations 1995: Democracy and Foreign Policy* (Ottawa: Carleton University Press, Inc., 1995), 171.

problem which in the final analysis belongs in the sphere of a country's sovereignty."[17] After the European Union's motion to censure China in the United Nations Commission on Human Rights in Geneva was shelved in March 1994, Chinese Primier Li Peng said, "this shows convincingly that it is unpopular to attack China using the human rights issue."[18]

A few days later, Chretien said in a speech at the University of Moncton that "we have never linked trade absolutely with human rights. . . I'm not allowed to tell the Premier of Saskatchewan or Quebec what to do. Am I to tell the President of China what to do? . . . I'm the Prime Minister of a country of 28 million. He's the president of a country of 1.2 billion. . . If I were to say to China 'we are not dealing with you anymore' they would say, 'fine.' They would not feel threatened by Canada."[19] Perhaps acknowledging the ambiguity of the human rights issue and the unchangeability of the Chinese attitude to human rights, he skillfully gave his policy priority to trade and commercial interests.

Chretien has promised that he will not raise the human rights issue when he meets with Chinese leaders in public.[20] When he went to China with the "Team Canada" mission in 1994, he never asked about specific abuses or threatened to tie trade or aid with human rights. Instead he claimed to have raised the issue in a private meeting. "The more contact China has with other countries, the more open it will become," he said. "We have seen in so many other countries that dialogue with other nations and with people from other nations breaks down walls."[21] Andre Ouellet, former Foreign Affairs Minister in the Chretien government, said that "for too long after the Tiananmen massacre, Canada continued to publicly lecture Chinese officials about abuses of human

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[17] Ibid., 179.
[18] Jan Wong, "China Moves to Counteract Instability," *Globe and Mail*, March 11, 1994, A1-12.
[19] Edward Greenspon, "Canada Can't Sway China on Rights, PM Says: Lack of Influence Cited as Chretien Presses on with Plans to Forge Trade Links," *Globe and Mail*, March 19, 1994, A1, A2.
[20] Ross Howard, "PM to Talk to Chinese about Rights," *Globe and Mail*, October 22, 1994, A1.
[21] *Canadian Press Newswire*, November 12, 1994.

rights. . . Other countries have been much quicker to forget Tiananmen Square and come back and re-establish diplomatic, friendly, cordial relations. . . The key priority of this government is to create jobs. . . Our interests are to promote trade, to promote sales of Canadian goods and services."[22] He announced that trade was Canada's top priority in dealing with China, following U.S. President Bill Cliton's decision on May 26 1994 to renew China's MFN trading status. Ouellet also stated that "Canada will vigorously pursue [trading] initiatives in a number of countries irrespective of their human rights records."[23] Even Raymond Chan, the Minister of State for the Asia-Pacific region, who was initially active in the Chinese democracy movement in 1989, claimed that the Canadian government had retreated from its policy of giving priority to human rights.[24]

However, Chretien's China policy faced criticisms from the domestic and global human rights activists. Most of them strongly opposed the government's approach to pursue economic growth at the expense of human rights. Human Rights Watch (Asia) in New York charged that the Liberal government had paid lip service to human rights questions in the pursuit of export markets and called this kind of policy the "roll-over-and-play-dead" position. Sidney Jones, executive director of this organization said that, "it's absolutely irresponsible for the Canadian government not to exert pressure on countries to respect human rights."[25] A joint Senate-House of Commons Committee report urged the federal government to link international trade and foreign-aid agreements more closely with human rights concerns. The report said "repressive regimes that fail to respect the rights of their own citizens may show a similar lack of respect for the rights of their economic partners. . . . Canada should act openly in making our views known in a clear and frank way through dialogue with governments that abuse human rights."[26] The

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[22] Warren Caragata and Luke Fisher, "A Change of Heart," *Maclean's*, 107, no.12 (Mar 21, 1994), 16-7.
[23] Anthony Wilson-Smith, "Unusual Alliances," *Maclean's*, 108, no.21 (May 22, 1995), 28.
[24] "Liberals Depart from Human-rights Link: Trade More Important, Minister Says," *Vancouver Sun*, December 22, 1993, D2.
[25] *Toronto Star*, May 19, 1994, A21.
[26] "Trading on Trust: Canada reaps a business windfall in Asia, but at what price?" *Maclean's*, 107, no.48 (Nov 1994), 28.

Montreal-based International Centre for Human Rights and Democratic Development also argues the need for a more aggressive support for multilateral efforts to encourage China's reform, for example, on promoting labor standards, freedom of association at the new World Trade Organization.[27]

Despite these criticisms, the Chretien government persisted in its approach to China and human rights. Part of the explanation by Chretien rests on the nature of the international system of the 1990s. The end of the Cold War has undoubtedly improved global security but has simultaneously brought about new problems because the world now faces new challenges. Today, security interests are defined not only in military terms, but also in economic, social and environmental ones. According to the Report of the Special Joint Committee on Canada's Defence Policy in 1994, what Canada faces is a new, multi-polar world, especially after the emergence of new centres of economic and military power in the world. This Report stresses that the Asia-Pacific region is expected to become the driving force of the global economy and Canada must demonstrate a more visible presence in that region. It states "if Canadians want to be able to influence events in the Asia-Pacific region, we must show that we have a stake in the region, that we see a Canadian security interest and are prepared to invest resources in protecting that interest."[28]

The other report made by the Special Joint Committee on reviewing Canadian foreign policy acknowledges that the rapid growth of global trade and investment is currently surpassing the capacity of national and international authorities to effect socially desirable outcomes. Canada has no choice but to sharpen its competitive edge in the global economy. The report recommends that the government create a joint public-private consortium to mobilize private sector resources in partnership with provincial and

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[27] Ibid.

[28] *Security in a Changing World*, The Report of the Special Joint Committee on Canada's Defence Policy (Ottawa: Publications Service, Parliamentary Publications Directorate, 1994), 11.

federal governments.[29] Canada's national debt has been rising sharply for the last two decades. This has resulted in budget cuts which affect the capability of its foreign policy. Thus, the Joint Committee Reviewing Canadian Foreign Policy agrees that the first priority of Canada's foreign policy must be to advance Canada's trade and investment prospects. Due to its heavy dependence on international trade, Canada cannot but shift its attention to the fastest growing Asia-Pacific economy.

Canada's involvement in the Asia-Pacific region, and China specifically, has clear security implications. A growing arms race, partly due to the withdrawal of American forces from this region, is threatening the security of this area. The desire to fill a perceived "security vacuum" makes obvious the rivalry of major powers in this region, such as Japan, China and India. The role China will play in managing several key disputes, for example, disputes over the Spratly Islands, will be significant. Moreover, it is necessary for western countries to gain China's support in the Security Council if the UN is to continue being effective in the coming century. Indeed, China played an important role in two major issues with which the international community had to deal in the 1990s. One was to agree not to veto the resolutions authorizing economic and military sanctions against Iraq. The other was to prompt the Khmer Rouge to accept a tentative peace plan for Cambodia.[30] In addition, China is one of the few members of the nuclear weapons' club.

The economy in East Asia continues to grow at the fastest rate in the world and the emerging market is huge. In China, the expansion of the Chinese version of "market socialism" has formed the fastest growing economy in the world. According to Paul Evans' study, during the period from 1980 to 1990, annual real gross national product (GNP) growth in China averaged 8.6 percent. "Since 1990, the national growth rate has

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[29] *Canada's Foreign Policy: Principles and Priorities for the Future* (Ottawa: Publications Services, Parliamentary Publications Directorate, 1994), 28-31.
[30] Paul Gecelovsky and T. A. Keenleyside, 588.

jumped to over 12 percent per year; in south China more than 20 percent per year."[31] Some economists believe that if China remains stable politically, and if the global trading system remains open to its exports, China could continue 7 percent or 8 percent growth rates for at least another couple of decades.[32] Although their conclusion is controversial, there are considerable opportunities for foreign investment, export and commercial activities in China. For Canada, the prospects of infrastructure development in the Chinese market have a strong attraction because that is a Canadian economic strength, especially in the areas of telecommuncations and power production, including conventional hydro, thermal power, as well as nuclear power.[33] As the chairman of the Bank of Montreal, Matthew Barrett said that, "China is a spicebox of hope and opportunity, prospectively the largest market in the world, prospectively its most powerful economy, prospectively an engine of growth for a hundred years to come."[34] Many Canadian firms, such as Power Corp. and Northern Telecom Ltd., have enthusiastically stepped up their activities in China. Ontario Premier Bob Rae also says that China is the new frontier for Canadian entrepreneurs and that he wants to ensure his province get its share of the action.[35] In May 1994, he led some executives from several Ontario-based companies to China and Malaysia, looking for commercial opportunities.

Thus, it seems that the Chretien government does not want to risk Canada's broader political-security considerations and commercial interests in Asia for the sake of promoting human rights. During the trip to Asia for his first "Team Canada" mission, Chretien insisted that "lecturing his hosts would achieve nothing. The way to deal with authoritarian regimes was to offer to help them build a more open system of government."[36] He refused to confront Asian leaders on the sensitive question of human

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[31] Paul Evans, "Canada's Relations with China Emergent," 15.
[32] Nicholas D. Kristof, "The Rise of China," *Foreign Affairs*, 72, no.5 (Nov/Dec 1993), 63.
[33] J. T. Paltiel, 168.
[34] *The Toronto Star*, May 5, 1994, A16.
[35] *The Globe and Mail*, May 30, 1994, B5.
[36] *The Toronto Star*, November 18, 1994, A16.

rights and believed that doing trade would eventually let the walls fall and freedoms come in.[37] Trade Minister Roy MacLaren also said that, "trade sanctions are a blunt and often ineffective instrument for encouraging reform. . . . There is little Canada can do in isolation to persuade China--or any other country accused of abusing its population--to liberalize its human rights or labor rights policies."[38] This approach is supported by the business community who agrees using the carrot is much better than using the stick or the club.[39]

In addition to the growing importance of Canada's interaction with Asia, its relationship with the United States continues to be a key factor influencing Canadian foreign policy towards China. Of importance is the government's document entitled "An Independent Foreign Policy" which calls for Canada to take "a more active, independent, internationalist role" instead of the "camp follower approach" and the "special personal relationships between world leaders" which had 'solely' determined Canadian foreign policy to date.[40] This document attempts to sever the dependence of Canadian trade on the U.S. market. The Chretien government will aggressively seek to establish new trade links with other markets, especially Asia. After returning from a trip to Asia to woo investors, B.C. Employment and Investment Minister Glen Clark (now Premier) said in October 1994 that "to the extent that Canada can diversify away from the U.S. and into these rapidly-emerging markets in Asia, it's good news for the country."[41] China is the market that will best allow Canada to expand its trade relationship beyond interdependence with the U.S.

Chretien's new foreign policy features a new "third option" approach, this time specifically toward the dynamic fast growing Asia-Pacific region. At the core of the Asia thrust will be the creation of some kind of special relationship with the emergent Chinese

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[37] Ibid.
[38] *The Toronto Star*, May 19, 1994, A21.
[39] Ibid.
[40] Ibid.
[41] *The Vancouver Sun*, October 25, 1994, D3.

superpower. Canada is thus reluctant to take more than very modest measures against China, an important partner with which Canada has significant commercial relationships. After the Team Canada's trip to China, Chretien repeated his idea about trade promotion in Asia. He said that "this trip is an integral part of our government's jobs and growth agenda. We recognize that a strong economy allows us to maintain our strong society with more jobs, greater prosperity, better educational opportunities, better health-care services and a greater ability to invest in our people."[42] He emphasized that "sales abroad means jobs in Canada."[43] It could be inferred that Chretien's China policy is just to fulfill his election promise to create jobs for Canadians.

Trade Minister MacLaren states in *Business Quarterly* that there are dramatic changes in the world trading environment which have profound implications for government. The government has to rethink its role in the era of globalization. He says that,

> [f]ifty years ago, international trade was largely resource-based and conducted among locally-integrated companies situated in individual countries. Foreign direct investment largely replicated home-based operations. Today, unprocessed resource trade accounts for an ever-diminishing share of world trade. Manufactured goods and services have become more predominant. Industrial structure has changed. Cross-border supplier networks have frequently replaced domestic vertical integration and locally-based supplier networks. Such networks, often made up of small and medium-sized enterprises, allow large companies to concentrate in high value-added activities. Investment decisions are as much a function of a positive enabling environment and access to technology as access to markets. World process mandating is increasingly common.[44]

This change means that many traditional policy tools and instruments used by government no longer guarantee economic growth. According to MacLaren, the Canadian government has to focus more on competitiveness in the search for markets and

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[42] *The Toronto Star*, November 19, 1994, B4.
[43] Ibid.
[44] Roy MacLaren, "Government's New Role in Globalization," *Business Quarterly*, 59, no.2 (Winter 1994), 89.

quality investments. The "Team Canada" concept is growing out of this changing circumstance in which Canada faces many challenges. This concept has made possible extensive local business networks with the provinces to collaborate in identifying and preparing smaller firms for international markets.[45] And the Chretien government believes that Canada's best trade prospect lies in the booming Asian markets.

It is noteworthy that the rapid advancements in the relationships between the two countries' provincial governments in the 1980s means that provinces have become an active player in the Sino-Canadian relationship. Four of Canada's provinces have developed twinning relationships with provinces in China: Alberta with Heilongjiang; Saskatchewan with Jilin; Ontario with Jiangsu; and Quebec with Shaanxi. In the 1980s and 1990s, the international activities of these non-central governments were in business, cultural and educational areas. These twinning arrangements, to some extent, also deepened the strategic and political relationship between China and Canada, because the policy-makers in Canada tended to believe that heightened economic linkages would also lead to improved human rights in China.[46] Provincial governments would rather maintain warm and friendly relations with China in the 1990s.

The first "Team Canada" mission to Asia consisted of the Prime Minister, nine premiers, two cabinet ministers, two territorial leaders, two mayors and about 400 business executives.[47] On the trip, almost C$9 billion in potential trade deals were signed. The business interests represented on the trip included representatives from banks, resources companies and aircraft manufacturers to food company leaders, lawyers, accountants and advertising agencies.[48] The business community, which had never

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[45] Ibid.
[46] George MacLaren and Kim Richard Nossal, "Triangular Dynamics: Australian States, Canadian Provinces and Relations with China," in Brian Hocking ed., *Foreign Relations and Federal States* (London: Leicester University Press, 1993), 183.
[47] Brenda Dalglish and Anthony Wilson-Smith, 84.
[48] Ibid.

supported sanctions, complained that trade opportunities and jobs would slip away if Canada insisted on a tough stand on human rights.

The projects of "Team Canada" have created two controversies. One concerns the sale of two Candu reactors by Atomic Energy of Canada Ltd. (AECL), which depends on obtaining C$1.5 billion of long-term financing from Canada.[49] In other words, Canadian taxpayers will help to finance the Chinese government's purchase. One critic says that Canada is taking a significant risk in "selling the highly sophisticated reactors to a country that is notorious for its refusal to abide by copyright laws and its willingness to pirate technology."[50] Some questioned Canada for selling sensitive technology to the belligerent Asian giant notorious for its human rights violations and poor environmental protection records. Moreover, China's nuclear weapon testing makes some worry that China will put nuclear energy to non-peaceful uses.

The other controversy is Canadian participation in the Three Gorges Dam Project. Critics noted that giant dams often cause social and environmental problems and could do so in this case. The major concerns are how to relocate local populations and whether the dam will endanger people and wildlife with mercury contamination. Originally, the Canadian International Development Agency (CIDA) financed C$14 million to the environmental engineering assessment of the project but this involvement was suspended in June 1989 following the Tiananmen Incident,[51] and then CIDA completely withdrew its support in 1992. During the "Team Canada" mission to China, Agra Industries of Mississauga has landed a $35 million contract to provide an information management system for the project.[52] Export Development Corporation (EDC) has extended $17 million in government-backed loans to allow China to buy management services.[53] But other Canadian agencies and government corporations have snubbed the development.

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[49] "China Syndrome," *Maclean's*, 109, no.50 (Dec 1996), 28.
[50] Anthony Wilson-Smith, "The China Deal," *Maclean's*, 107, no.47 (Nov 21, 1994), 16.
[51] *Vancouver Sun*, May 28, 1993, A19.
[52] *Globe and Mail*, November 11, 1994, A19.
[53] *Vancouver Sun*, October 28, 1996, A8.

Mike Harcourt, former Premier of B. C., said in 1995 that B. C. Hydro would take no part in the project. Other critical voices are from other major countries and international regimes. The U.S. Export-Import Bank decided not to finance exports for the dam because the project violated the bank's environmental policy.[54] Even the World Bank has been reluctant to provide a dime for the Three Gorges Dam project.[55]

In summary, Chretien seems far more interested, than his predecessor, in domestic economic needs and less passionate about a moral international diplomacy. Mulroney "enjoyed international policy debates and delighted in boasting of their relations with other leaders."[56] Chretien's focus on domestic affairs might be related to his past experiences at some positions in his portfolio. As an article in *Maclean's* says,

> [w]hen Trudeau replaced Pearson, the unpolished Chretien was relegated to a cabinet backwater, Indian Affairs and Northern Development. During his six years in the portfolio, he explored the nation, cultivating a passionate attachment to the land-even claiming the Rockies as his own. Chretien, in fact, was at his strongest in Indian Affairs, where his formidable skills with people and his intuition were valuable assets. The natives did not like many of his initiatives, especially his attempt to abolish the Indian Act and remove their special status. But they like him.[57]

After working as the Minister of Indian Affairs and Northern Development, Chretien was President of the Treasury Board, then Minister of Industry, Trade and Commerce, then the first Francophone Minister of Finance in Canadian history, then the Minister of Justice and Attorney General of Canada and Minister of State for Social Development, then briefly Deputy Prime Minister and Secretary of State for External Affairs.[58] We can see his positions in the Cabinet were mostly related to the national economy and development. In 1980, he took charge of the formidable task of directing federal

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[54] Ibid.
[55] *Globe and Mail*, December 21, 1994, A13.
[56] "Getting to Know you: Chretien Signals a New Reserve in Canada-US Relations," *Maclean's*, 106, no.48 (Nov 1993), 31.
[57] "Tomorrow's Man? The Focus Now Is on Jean Chretien and How He Would Govern Canada." *Maclean's*, 106, no.42 (Oct 1993), 22.
[58] Jean Chretien, *Straight from the Heart* (Toronto: Key Porter Books Ltd., 1985), 240.

resources in the referendum. Since then, he has tried his best to cope with the Quebec's separation movement and has refused to accept the legitimacy of sovereigntist aspirations. Chretien realized that the Quebec referendum in 1995 would be a big headache for him to deal with. His uneasy relationship with Quebec could cause serious problems for himself, and for the nation, so he has to pay attention to the issue of national unity.

Chretien's focus on domestic affairs can be seen also from his approach to the United States. The approach that Chretien uses is more formal and less publicly enthusiastic than it was under Brian Mulroney. In February 1992, Chretien offered a comparison between Mulroney's style of diplomacy and his own. He said, "Mulroney cares more about getting other leaders to like him than about getting the things that Canada needs. Me, I understand that in politics there is no room for friendship."[59] Thus, he would like to increase Canadian ties with Pacific Rim countries and others beyond the north Atlantic axis for economic expansion and decrease dependence on traditional partnerships with the United States.[60]

Canada, in the early 1990s, aggressively committed itself to being a leader on human rights and insisted that "nothing in international relations is more important than respect for individual freedoms and human rights."[61] Now, it seems that the brief moral period of Canadian diplomacy has slipped away. But, the shift of focus to economic interests is not sudden or startling. According to Carol Goar's analysis, "during Brian Mulroney's nine-year regime, foreign policy began to look more and more like trade policy. The Conservatives lectured authoritarian governments about the importance of democratic principles. But, with the exception of South Africa, they still did business with them."[62] The reality is that Chretien just made his policy more consistent with his perception of reality. Chretien's decision to name pro-business fiscal conservatives like

[59] "Getting to Know you: Chretien Signals a New Reserve in Canada-US Relations," 30.
[60] Ibid.
[61] Svend J. Robinson, "Justice and Human Rights: Inspiring Canadian Foreign Policy," *Canadian Foreign Policy*, 1, no.1 (Winter 1992-3), 24.
[62] *The Toronto Star*, November 19, 1994, B4.

Finance Minister Paul Martin, International Trade Minister Roy MacLaren and Industry Minister John Manley to key portfolios is evidence of the stress on economic development over other issues such as human rights.

It could be inferred also that Chretien is a very practical person and can be called "a good salesman".[63] Without doubt, the Chretien government's China policy has proved popular, because of great support from the Canadian public and provincial leaders.[64] It will remain so as long as it can increase commercial benefits and employment. The Chretien government's China policy is completely based on national interests, as realists claim.

While the Chretien government formally cut the link between trade and human rights, they also disagree that trade and human rights are mutually exclusive. As Andre Ouellet says, "Canada will not be silent about rights abuses. Rather, it will look for ways to make its points 'without compromising our chance of doing business.'"[65] He believes that public scolding rarely has the intended effect, and that quieter diplomacy is often more effective. In May 1994, Ouellet described Canadian policy towards China as built-on-four-pillars: economic partnership, sustainable development, peace and security, and human rights combined with the rule of law. He also claimed that Canada would not "sacrifice one at the expense of another and had to position itself to build an economic partnership with China that will create jobs and prosperity in Canada and will also benefit the people of China."[66] The Chretien government hopes that Canada will change China in a positive way by cooperating with them, not isolating them. According to Robert Peck, Press Secretary to the Minister of Foreign Affairs,

> [t]rade reduces isolationism. There is evidence that increased political flexibility is a byproduct of economic liberalization, and governments that have opened their markets to international trade are more sensitive to the views and reactions

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[63] *The Toronto Star*, November 19, 1994, B4.
[64] *Maclean's*, 107, no.52 (December 1994), 30.
[65] Warren Caragata and Luke Fisher, 17.
[66] Paul Gecelovsky and T. A. Keenleyside, 592.

> of other countries. An inward-looking society that depends little on trade and international investment is less likely to respond to concerns raised by foreigners."[67]

Thus, the Chretien government hopes to be fully engaged in Chinese so that it can influence China.

Nevertheless, Chretien's primary foreign policy objective is to promote private enterprise abroad in order to improve economic prospects at home. Maintaining trade with China means creating employment opportunities in Canada. China has long been a principal market for western Canadian wheat and has gradually become a key market for hundreds of millions of dollars in sales of Canadian high technology goods and services. Therefore, it is not surprising that the Chretien government has shifted its stance from protecting human rights to being self-serving and tolerant.

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[67] *Globe and Mail*, May 21, 1994, D7.

Chapter Four

Comparison between Trudeau's China Policy and that of Chretien's: Conclusion

The establishment of diplomatic relations with China in 1970 was one of the most dramatic events in the development of the Canadian foreign policy. It gave rise to serious discussion about Canada's attitude toward China and even about the role that Canada should play in the world. As was mentioned in the second chapter, there was no convergence of opinion in Canada's recognition of China. "Canadian public concern," in John Holmes' words, "has been largely over the international implications rather than the domestic aspects of Chinese communism."[1] Some argued that Canada's recognition of China did not necessarily signify its approval of Mao's regime. As M. J. Coldwell said, "[w]hile I think we should make it abundantly clear that we do not agree with the ideology or the method of achieving power adopted by that government, nonetheless we recognize we have to negotiate with it and we recognize that government is a fact, whether or not we like it."[2] Some others argued, on the other hand, that recognition of Red China would give an impetus to the Communist drive in Asia and would put more people behind the iron curtain.[3] To do so would risk Canada's reputation in the democratic camp and damage Canada's influence in the alliance led by the United States in the Cold-War era. As to Canada's trade relationship with China, however, there were few opinion differences among Canadian policy-makers, so Canadian commercial contact with the PRC was possible without recognition.

Similarly, the "Team Canada" trip to China in 1994 after the Tiananmen massacre also stirred controversy over Canada's obligation in world diplomacy. Canadian decision-

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[1] John W. Holmes, 212.
[2] Paul Evans and Daphne Gottlieb Taras, "Looking (Far) East: Parliament and Canada-China Relations, 1949-1982," 80.
[3] Ibid., 81.

makers believe that having a good relationship with China is to create an opportunity to moderate the policies of the communist regime. That was one of the reasons for Trudeau to recognize the PRC in 1970--to bring it out of isolation and into the international community. But the Tiananmen Square massacre in 1989 challenged the Canadian ideal about its role in influencing the Communist country. The massacre evoked protests from western countries which called for sanctions to punish the Chinese authority for its bad behavior. However, the Chretien government declined to put pressure on China, despite its poor human rights record, for the sake of developing and securing Canada's economic interests in China.

These superficial parallels lead to a number of further conclusions concerning similarities. First, what both Prime Ministers pursued for Canada was a kind of "independent foreign policy". It was widely assumed that Canada's policy was in many ways deeply influenced first by British policy and then by American policy in particular, including Canada's China policy. John Holmes has noted that "[t]he way in which the United States chose to view Communist China . . . has determined the framework in which [Canadian] relations with China are conducted."[4] But Canada had been skeptical of the American policy of containing Communism by isolating it. Canadian views of Communist China then and later have not had the complex quality that has characterized the Sino-American connection. However, as a neighbor and major ally of the US, Canada faced a dilemma in the development of its foreign policy. Clearly, because Washington was the key player and was decisive in assuring the security of democracy after WWII, maintaining American power was regarded as a Canadian national interest. Economically, Canada's heavy dependence on Washington inevitably made Canada continue to bow to Washington, despite the fact that a policy fraught with emotional and symbolic values for Americans had little intrinsic importance for Canadians. Therefore, the reluctance to follow America's China policy must contend constantly with Canada's

[4] John W. Holmes, 216.

assessment of its obligation to act as an ally in the post-war period. Paul Evans and D.G. Taras analyzed the policy preferences expressed by the CCF/NDP, which was for recognition of China, and concluded that

> [s]upporters of the CCF/NDP persistently attempted to link China policy to the sensitive issue of the external, especially United States, limitations on Canadian action. They focused on what they identified as the vulnerability of Canadian leaders to United States pressures, often couching the China problem (recognition and United Nations representation) in the broader terms of Canadian inability to develop an effective, independent foreign policy. In the words of one member, Canada operated as 'the ventriloquist's dummy of United States foreign policy.'[5]

Therefore, Trudeau's China policy seems to be a symbol of Ottawa's emancipation from undue dependence on Washington.

The same consideration is also present in the Chretien government. After he took office, Chretien pursued an independent China policy that valued economic interests more than human rights, while the United States chose to link trade issues with human rights (at least verbally) when articulating its China policy after the Tiananmen massacre. Former Foreign Affairs Minister Andre Ouellet said in an interview, "[f]rom the start, Mr. Chretien indicated that he wanted an independent foreign policy, one that would be original and certainly very different from the Tory administration."[6] Canada does not want to be considered by anyone as a US satellite. The relationship that Canada is eager to develop with China is mostly based on trade relations. According to the report of *American Review of Canadian Studies* cited from *Statistics Canada*,

> the share of the United States in Canada's merchandise exports has been rising consistently throughout the postwar period. It was 49 percent in the 1946-1950 period and rose to 80 percent in 1993. Merchandise exports to the United States in 1993 accounted for 23 percent of Canadian gross domestic product; the proportion was closer to 30 percent if Canadian service exports are added. This

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[5] Paul Evans and Daphne Gottlieb Taras, "Looking (Far) East: Parliament and Canada-China Relations, 1949-1982," 80.

[6] *Montreal Gazette*, Aug 8, 1994, E6.

> is overwhelming reliance, but even this does not tell the full story because it omits the great dependence of Canada on the U.S. capital market.[7]

Thus, the major themes in Canadian thinking about economic interaction with the U.S. were to reduce the dependence on the U.S. and to make efforts to diversify markets. When the security threat from Canada's external environment became less serious, both during detente and in the post-cold war era, economic interests came to be the priority over strategic interests in Canada. This similarity is related to the second and third parallels which will be discussed below.

The second similarity is that both governments pursue an approach that aims to expand Canadian commercial interests in China and in Asia. The desire for markets in China has been affected by the views of the Canadian business community. Before 1970, Canada's relations with mainland China, principally in the realm of trade, were developing satisfactorily despite the absence of formal diplomatic ties. When Trudeau's government recognized the PRC, Canada paid more attention to its economic and trade relations with China. Canada hoped that recognition would protect the great volume of Canadian wheat sales in the Chinese market and improve the potential for additional Canadian exports to China. After recognition, trade between the two countries did indeed increase. Canadian products exported to China were over $200 million in 1971, and later increased to $434.2 million in 1974, even though Chinese exports to Canada still remained low.[8]

While Sino-Canadian trade remains a small part in the total Canadian trade picture, the Canadian government made considerable efforts in the years following recognition to increase the level of economic interaction between the two countries. However, it is worth noting that other major trading nations also increased their trade with the PRC. When the United States opened its market to the PRC, it inevitably took

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[7] Weintraub-Sidney, "Current State of US-Canada Economic Relations," *American Review of Canadian Studies*, 24, no.4 (Winter 1994), 473.

[8] Maureen Appel Molot, "Canada's Relations with China since 1968," 243.

some of the gloss off the Trudeau government's breakthrough achievement. Although there has been progress toward trade diversification, wheat still comprises two-thirds or more of Canadian exports to China, and the percentage of manufactured goods sold to the PRC remains below 25 per cent.[9]

Economic interests are also a major reason behind Chretien's shift in his China policy away from a brief human rights orientation. China's tremendous economic growth enabled the new government to decide that trading with China was an important target.[10] More specifically, the prospect for Canada to assist in developing China's infrastructure has also attracted attention in terms of securing economic benefits, especially in the areas of telecommunications and power production. In the few years after the Tiananmen Square incident, that commercial sanctions had only a marginal impact on bilateral trade relations is shown by the trade figures in the Table 1. Canadian exports to China still increase annually, with the exception of 1993. As the memory of Tiananmen faded, the old bilateral relationship so carefully created over twenty years reemerged in the Chretien government. Coincidentally, because of the changes in Canada's external environment and domestic interests, the Chretien government's China policy had the same considerations as Trudeau's when the latter contemplated recognition of the PRC. Although Canadian public opinion vacillated between pro-business and pro-human-rights concerns, the Chretien government's officials are almost unanimous in their support for expanding the trading relationship with China. During the "Team Canada" visit to China led by Chretien in 1994, potential trade deals of almost C$9 billion were signed. While the second and third "Team Canada" missions traveled more broadly in Asia, China remains an important focus.

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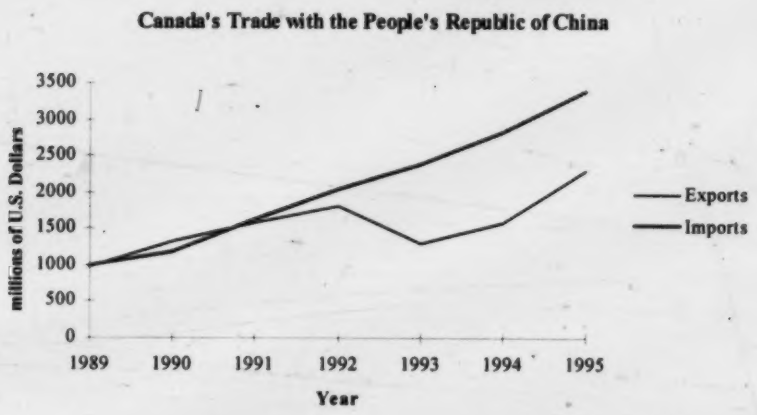
[9] B. Michael Frolic, "Canada and the People's Republic of China: Twenty Years of a Bilateral Relationship 1970-1990," 205.

[10] Jeremy T. Paltiel, 173.

TABLE 1

Canada's Trade with the People's Republic of China (Millions of U.S. Dollar)

Year	Exports	Imports
1989	$ 967	$ 998
1990	$ 1,320	$ 1,193
1991	$ 1,565	$ 1,611
1992	$ 1,808	$ 2,041
1993	$ 1,300	$ 2,388
1994	$ 1,584	$ 2,819
1995	$ 2,293	$ 3,384



Direction of Trade Statistics Yearbook, 1996, P.148 (Washington, D. C.: International Monetary Fund, 1996).

The third similarity between the two governments is that they want to be more involved in Asian affairs than other Canadian governments did in Canadian history. Traditionally, Canadian strategic thinking has paid attention more to Europe than to other continents. Canada has left Pacific Ocean defense to its all-powerful neighbor--the US, while Canada looks toward Europe. As John Holmes says, "Leaving the Far East to the United States . . . reflects not a rejection of interest in that area, or a failure of responsibility, but a rational division of functions. It is unwise for any smaller ally to try

to cover all fronts in which it recognizes an interest."[11] However, Canadian interests in China prompted the Trudeau government to realize that Canada as a Pacific country should expand its ties across the Pacific. Trudeau's government believed that "to exchange diplomatic representatives with the Peking government signified not a fundamental re-orientation of Canadian external relations, but a simple calculation that under contemporary conditions of relaxing Sino-American tensions, the benefits of recognition at last outweigh the costs."[12] This statement implies that Trudeau was looking for a new role in the Pacific and attempting to undermine the notion that the Pacific Ocean was little more than an American lake. The "Third Option" initiative, made by then Secretary of State for External Affairs Mitchell Sharp, was to echo Nixon's economic policy and "to lessen the vulnerability of the Canadian economy to external factors, including, in particular, the impact of the United States and, in the process, to strengthen [Canadian] capacity to advance basic Canadian goals and develop a more confident sense of national identity."[13] Although the initiative was not announced until 1971, the recognition of the Pacific Rim's importance to Canada's trading future can be dated back to 1969, as Eric Downton described, "when a new Canadian-Japanese Economic Cooperation Agreement was signed."

> The next year Ottawa gave diplomatic recognition to the People's Republic of China and a series of bilateral economic agreements with Peking followed this step. Studies were produced of the Pacific Basin's commercial potential for Canada, and the trade and economic sections of diplomatic missions in the Asia-Pacific region were strengthened. For a few years it looked as though Ottawa might be breaking away from its fixation with the Atlantic community and giving the Pacific more stature.[14]

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[11] John W. Holmes, 205.
[12] Denis Stairs, "Reviewing Foreign Policy, 1968-70," 201.
[13] Peter Dobell, "Reducing Vulnerability: The Third Option, 1970s," in Don Munton and John Kirton eds., 249.
[14] Eric Downton, 42.

The importance of Asia to Canada grows not only because of its economic growth, but also because of its political and security links with Canada. Canada's peacekeeping and monitoring role in Cambodia in the 1970's led directly to it being a "dialogue partner" with ASEAN, which is the most prominent and comprehensive mechanism of a cooperative security regime in the Asia-Pacific region. The ASEAN regional forum has seven "dialogue partners", and Canada and the United States are the only two major western countries to be invited in. Actually, Canada submitted a proposal called the North Pacific Cooperative Security Dialogue (NPCSD) in 1990 after realizing that it could play an active political role in contributing to regional stability. Stewart Henderson writes that "the NPCSD was to have two tracks--a non-governmental and a governmental element--and would focus on the North Pacific countries of China, North and South Korea, Japan, the Soviet Union (now the Russian Federation), the United States, and Canada."[15] On the non-governmental level, the initiative was designed specifically to explore issues and prospects for dialogue and to focus knowledge and awareness in this region through academic research programs such as colloquiums or workshops. On the governmental level, a document issued by External Affairs explored the merits of establishing a regional dialogue encompassing all relevant themes and issues, such as the definition of security and a security framework for the region. This changed regional strategy shows that Canada began to pay more attention to the security and stability of the Asia Pacific region. Though this initiative was not supported by other countries, it is clear that Canada's interest in Asia Pacific security issues is getting more specific. The failure of Canada's NPCSD proposal probably resulted in an increased emphasis on China. After North Korea, China represents the greatest security threat in the North Pacific.

[15] The details about NPCSD proposal can be seen in Stewart Henderson, "Zone of Uncertainty: Canada and the Security Architecture in Asia Pacific," *Canadian Foreign Policy*, 1, no.1 (Winter 1992-3), 111-4.

The final similarity shared by Trudeau and Chretien is that they both favor bringing China into the world community. Trudeau and Chretien were afraid that an isolated China might pose a threat to world peace and to the power of the United Nations. They both thought that many of the major world issues "will not be resolved completely or in any lasting way unless and until an accommodation has been reached with the Chinese nation."[16] In 1968, Trudeau stated that

> [t]he present situation in which a government which represents a quarter of the world's population is diplomatically isolated even from countries with which it is actively trading is obviously unsatisfactory. I would be in favour of any measures including recognition on suitable terms which can intensify the contacts between our two countries and thus normalize our relations and contribute to international order and stability.[17]

Trudeau was concerned that such a large state with little recognition by the international community would be potential problem. The PRC's continued isolation limited the ability of the UN to deal effectively with issues such as disarmament and nuclear proliferation.

Similarly, in Chretien's view, an isolated China will not help to encourage its political reform. After the Tiananmen Square incident, when Chretien was in opposition, the Liberals called for sanctions against China. In power, however, they have vigorously pushed for a bigger share of the enormous Chinese market. The Chretien government's officials say that Canada would continue to raise human right issues with China privately rather than publicly antagonizing Beijing's leaders, and that Canada would take other measures to help China build a democracy, such as through a current exchange program which allows Chinese academics to come to Canada to study democratic institutions.[18] Thus, "Quiet Diplomacy" is the major approach that both Trudeau's and Chretien's governments have used in order to guide the Chinese toward democracy.

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[16] B. Michael Frolic, "The Trudeau Initiative," 191.
[17] Ibid.
[18] *Canada and the World Backgrounder*, 61, no.4 (January 1996), 9.

In summary, Canada has many objectives in its relationship with China, spanning a wide range of concerns and issues, from 'low' politics to 'high' politics. Each objective is important to Canada, and must be viewed as part of the overall policy. Besides the fact that Trudeau's and Chretien's governments are both Liberal, the circumstances they faced respectively pushed them to take similar approaches, which are pragmatic and realistic. Externally, detente in the 1960s and the end of the Cold War forced the two governments to reevaluate Canada's traditional roles in NATO and UN's peacekeeping operations. Internally, the domestic economy stayed in the doldrums and the two governments had to reduce their national defence spending and to diversify Canadian trade to help stimulate economic growth, especially since the Canadian economy relies heavily on international trade. Thus, Trudeau and Chretien both stressed that Canada should use its limited resources in the most efficient way possible. Pragmatism then becomes another similarity.

The two governments' China policies are also a part of their overall policy toward the Asia-Pacific region. Fast economic growth and huge markets of the Asia-Pacific region in the 1990s have forced Chretien to acknowledge that Canada should broaden its policy's horizons and should be more engaged in Asia-Pacific affairs. Coincidentally, the first international meeting Chretien attended after he took office was the APEC leader conference in Seattle in November 1993. That allowed him the chance to launch his own "Third Option". Ouellet stated that "we are truly committed to playing a role in Asia. . . Canada is a nation that has trans-Atlantic links that are helpful to our political objectives. And we can't escape the U.S. dimensions. But what we want to emphasize is the Pacific dimension."[19] It should be added that China was not the only economic target of Canadian policy. According to 1994 statistics, Canada's two-way trade with ASEAN countries reached $5 billion a year and had more than doubled in five years. Canadian exports to ASEAN countries have tripled in the last decade. In 1993, Canadian exports to

[19] *Montreal Gazette*, August 8, 1994, E6.

South Korean were $1.7 billion, up to 20 per cent over the previous year, while imports, at $2.2 billion, were up 9 per cent. Two-way trade with Hong Kong is around $2 billion a year.[20]

The American presence has been a significant factor in explaining Canadian foreign policy. Both governments were eager to get away from the pressure to follow the American line in East-West matters by gradually shifting its strategic focus from Europe to Asia. The fast economic growth in the Asia-Pacific region in the 1990s made the Chretien government once again raise Canada's Third Option approach to Asia which was ignored by a succession of Canadian governments after Trudeau. Calgary Harold had this description about Chretien's trade mission:

> It was Sharp, in the early 1970s, who first set out Asia as a special target for Canadian commercial expansion. His advice was largely ignored in Ottawa for 20 years until one of Sharp's proteges, Chetien, came to power.[21]

The change of both governments' relationship with the U.S. was a major impetus that influenced the two governments to pursue an independent foreign policy. "There is no doubt that the China question posed a difficult set of choices which brought to the surface ideological divisions in the Canadian polity and some of the contradictions embedded in the post-war objectives and strategies of Canadian diplomacy."[22] That is why Trudeau's move toward China was so conspicuous and controversial and why the recognition of the PRC is usually regarded as a successful expression of an independent foreign policy. Similarly, that the Chretien government acknowledged the ambiguity of the human rights issue and emphasized economic interests over human rights is also regarded as a sign of an independent foreign policy. In the cases of the two governments' China policies, Canada could say "yes" when the United States had said "no" because

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[20] Ibid.
[21] Ibid.
[22] Paul M. Evans, "Introduction: Solving Our Cold War China Problem," in Paul M. Evans and B. Michael Frolic eds., 4.

Canada finally found that it could pursue its own national interests without the framework of American influence. The independence Trudeau and Chretien displayed regarding China may suggest how outcomes were shaped by a "middle power" when the U. S. hegemonic influence is no longer so important as it was at the height of the Cold War.

Interestingly, both Trudeau's and Chretien's China policies have proved popular and have obtained a high level of support from the Canadian public and provincial leaders. It seems that trade has been and is of great importance in Canadian relations with China. The Trudeau and Chretien government's decisions about China are not only a breakthrough in Canadian foreign policy, but also bring economic opportunity and prosperity. "China" seems no longer a "problem", but a symbol of "opportunity". In view of Canada's lack of historical and ideological burdens, there is no reason why Canada should reject a big and beneficial friend. Undoubtedly, for Canada, as a middle power, a friend is better than an enemy.

Finally, we can find that the domestic interest groups seemed to have been more influential during the Chretien era than in Trudeau's. Some explanations can be offered for this situation. First, it is because the Canadian foreign policy agenda is more influenced by low politics issues than ever before. Cold War antagonism does not exist in the 1990s. People are concerned more with economic growth, job creation and living standards. Second, low politics issues could allow more input by domestic interest groups. Public opinion is more valued and has more access to the government through the democratization of foreign policy. The Chretien foreign policy review in 1994 had considerable public input, consultation and discussion, showing a marked opening up of the policy process.[23] Chretien's China policy which pays more attention to Canada's economic interests--the low politics issues--than previous Canadian governments, is probably mostly affected by pro-business groups. Because of the greater importance of

[23] Kim Richard Nossal, "The Democratization of Canadian Foreign Policy: The Elusive Ideal," in Maxwell A. Cameron and Maureen Appel Molot eds., 36.

economic matters in foreign policy issues, Canadian governments "have a close identification with business and industry and has developed elaborate machinery to ensure close cooperation with them."[24] As Maxwell A. Cameron and Maureen Appel Molot state, "business executives often have direct access to policy makers. One government official also put it: when business executives want to influence policy 'they pick up the phone and call Foreign Affairs.'"[25] Finally, provincial economic interests also become more important to Canadian foreign policy. According to Ronald Atkey, '[i]n some provincial fields, it might seem more practical merely to allow the provinces to establish the international relationships themselves, as long as there were no conflict with national interests."[26] The rapid advancement in the relationship between the Canadian and Chinese provincial governments makes provinces become an active role in Canadian foreign policy. Therefore, it could be inferred that Pratt's dominant class theory is more suitable to explain the domestic sources of Chretien's China policy than those of Trudeau's because domestic groups in the Chretien's era have more chances to influence decision-making within constitutional democracies through its control of the media and the major political parties. On the other hand, the statist model is probably more accurate in explaining the Trudeau policy. The models, therefore, rather than helping to explain all post-war Canadian foreign policy, are sensitive to changes both domestically and internationally.

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[24] Cranford Pratt, "Canadian Foreign Policy: Bias to Business," 6.

[25] Maxwell A. Cameron and Maureen Appel Molot, "Does Democracy make a Difference?," in Maxwell A. Cameron and Maureen Appel Molot eds., 19.

[26] Ronald G, Atkey, "The Role of the Provinces in International Affairs," *International Journal*, 25, no.1 (Winter 1970-1), 251.

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